

Jan 29, 1963  
Extension of Pension Payments by Re-  
tired U.S. Government Employees—  
H.R. 533

CONGRESSIONAL  
RECORD—HOUSE

EXTENSION OF REMARKS  
OF

HON. ABRAHAM J. MULTER

OF NEW YORK  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 29, 1963

Mr. MULTER. Mr. Speaker, on Jan-  
uary 9, 1963, I introduced H.R. 533 to  
exempt from income tax, annuities, and  
pensions paid by the United States to  
its employees.

It has long been believed that most  
people should retire at 65 years of age.  
However, every day more and more peo-  
ple eligible for retirement refuse to quit

because they find that their pension will  
be inadequate to live on. Especially is  
this true for the Government employee  
who finds that his small annuity is fur-  
ther reduced by income taxes.

Anyone who retires on a pension or  
annuity of \$3,000, \$4,000, or \$5,000 will  
usually be forced to live on an income  
considerably less than his former income.  
Steadily rising living costs and the de-  
preciation of the dollar will make life  
in the late years of life an even more  
unpleasant prospect. Therefore, the  
Government should not place further  
obstacles in the way by taxing the small  
income of these people during the de-  
clining years of their lives when their  
expenses are especially high. Rather,  
the Government should encourage its  
people to retire and take steps to insure  
financial independence in their old age.  
Exemption of Government employees'  
pension payments from the income tax  
will provide a long step in the right  
direction.

I do not urge that the Congress should  
restore to all annuitants the same pur-  
chasing power they once had, but it can  
and should allow them the same tax  
benefits that it allows others who draw  
pensions from the Federal Treasury. For  
example, pensions paid under the Rail-  
road Retirement and Social Security pro-  
grams are exempt from all Federal in-  
come taxes. As an illustration of how  
this discriminates against the retired  
Federal Government employee, I call at-  
tention to the fact that while a retired  
railway worker enjoys this tax relief for  
his pension, the retired railway postal  
employee who may have worked right  
beside him enjoys no such relief. This  
discrimination cannot be justified.  
Therefore, my proposal is introduced to  
promote equity where there is need for it.